GWA RESOLUTION NO. 13-FY2020

RELATIVE TO AUTHORIZING THE MODERNIZATIONS OF THE GUAM WATERWORKS AUTHORITY ENTERPRISE RESOURCE PLANNING SYSTEM

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities ("CCU") has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority ("GWA"); and

WHEREAS, the Guam Waterworks Authority ("GWA") is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, GWA first implemented JD Edwards (JDE) Enterprise Resource Planning system (ERP) in 1998 and continues to use the JDE World ERP which will no longer be supported or enhanced by the vendor in April 2022; and

WHEREAS, over the years, GWA employees have developed manual workarounds using stand-alone software applications to perform tasks because of JDE World’s limitations and its complicated and inefficient legacy green screen “command line interface;” and

WHEREAS, GWA requires a transformational ERP upgrade to automate and integrate business systems and processes that will improve employee productivity, more efficiently streamline operations and provide timely decision support information in order to achieve the objectives in the 2018 Water Resource Master Plan; and

WHEREAS, Oracle Corporation purchased JDE and agreed to allow GWA to migrate JDE World licenses to its new, modern, browser-based digital platform, JDE EnterpriseOne, with enhanced features and functions including mobility, robotics processing and user defined customization; and
WHEREAS, GWA has evaluated JDE EnterpriseOne and determined it is a state-of-the-art ERP that provides all the tools necessary to transform to paperless digital business processes and integrate with other GWA business systems; and

WHEREAS, independent 3rd party research estimates the typical cost for a mid-size business transformational ERP upgrade is between 3% and 6% of annual revenue. For GWA, this is $3.3 to $7.4 million; and

WHEREAS, GWA is requesting authorization for expenditure to purchase additional licenses, support, infrastructure and professional services from Oracle Corporation and Red Rock Consulting Pty Ltd; and

WHEREAS, Red Rock Consulting Pty Ltd (Red Rock) is the largest independent provider of Oracle consulting and managed services in Australia and New Zealand with more than 4500 customers. Red Rock is an Oracle Platinum Partner offering a full range of services around Oracle’s applications, platform services, and engineered systems and has been awarded the JD Edwards Partner of the Year in the Asia-Pacific region for the last 5 years; and

WHEREAS, GWA is anticipating the cost of the implementation of the upgrade and licenses at a total cost of $5.2 million; and

WHEREAS, GWA received a Five Hundred Thousand Dollar ($500,000.00) grant and will apply for an additional grant funding in April 2020 from the Office of Insular Affairs Technical Assistance Program for the JDE EnterpriseOne upgrade; and

WHEREAS, the terms of the grant require GWA contribute not less than a fifty percent (50%) cost share toward the project. The source of matching and non-grant funding is from bond, internal CIP and revenue funds; and

NOW BE IT THEREFORE RESOLVED, the Consolidated Commission on Utilities does hereby approve the following:
1. The recitals set forth above hereby constitute the findings of the CCU.

2. The CCU finds that the terms of the proposal submitted by Red Rock Consulting Pty Ltd are fair and reasonable.

3. The CCU hereby authorizes the management of GWA to accept the bid from Red Rock Consulting Pty Ltd attached hereto as Exhibit A and which is also incorporated into this Resolution in its entirety.

4. The CCU hereby further authorizes the management of GWA to enter into a contract with Red Rock Consulting Pty Ltd. in the amount of Five Million Two Hundred Eighty-Six Thousand Three Hundred Eighty-Five Dollars ($5,286,385.00).

5. The CCU hereby approves the funding total of Five Million Two Hundred Eighty-Six Thousand Three Hundred Eighty-Five Dollars ($5,286,385.00).

6. The CCU hereby approves the use of funding sources from the Office of Insular Affairs Grants and the following GWA line items:
   - CDFA Number 15.875, Technical Assistance Program
   - CIP MC 15-01
   - Internally Funded CIP
   - Operating Revenue
   - Any other fund source as appropriate that may become available during the duration of the project period.

7. GWA Management is hereby authorized to seek PUC approval of contract as required by Docket 00-04.

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 21st day of February, 2020.

Certified by:  

Attested by:  

JOSEPH T. DUENAS  
Chairperson  

MICHAEL T. LIMTIACO  
Secretary
SECRETARY'S CERTIFICATE

I, Michael T. Limtiaco, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0
Exhibit A
DXC Red Projects Upgrade Proposal for GWA

<table>
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<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Grand Total</th>
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<td><strong>Recurring (Operational Cost)</strong></td>
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1 inclusive of pass through expenses